

**STATE BOARD OF FINANCE**  
**February 23, 2023 – 1:00 PM**  
**Summary Minutes**

**Location:**

Via videoconference at the following locations:

Old Assembly Chambers	Governor’s Office Conference Room
Capitol Building, Second Floor	555 E Washington Avenue, Suite 5100
101 N. Carson Street	Las Vegas, NV 89101
Carson City, NV 89701	

Governor Lombardo called the meeting to order at 1:00 pm.

**Board members present:**

Governor Joe Lombardo – Carson City  
Treasurer Zach Conine – Carson City  
Controller Andy Matthews – Las Vegas  
David R. Navarro – Las Vegas  
Benjamin Edwards – Las Vegas

**Others present:**

Lori Hoover:	Treasurer’s Office
Erik Jimenez:	Treasurer’s Office
Steven Hale:	Treasurer’s Office
Emily Nagel:	Treasurer’s Office
Itzel Fausto:	Treasurer’s Office
Chase NcNamara	Governor’s Office
Greg D. Ott	Attorney General’s Office
Steve Aichroth:	Nevada Housing Division
Catherine Byrne:	Nevada Housing Division
Alan Molasky:	Ovation
Lorri Murphy:	Ovation
Ariel Estrada:	Praxis Consulting
Eric Novak:	Praxis Consulting
Fred Eoff:	PFM
Ryan Patterson:	Vintage Housing
Daigo Ishikawa:	Nevada HAND
Michael Snodgrass:	Oikos Development
Chico Clark:	Oikos Development
Ruben Esqueda:	Blue Ridge Atlantic Development

**Agenda Item 2 – Public Comment.**

No public comment in Carson City or Las Vegas. No written public comment.

**Agenda Item 3 – For discussion and possible action** – on the election of Chair for the Board of Finance.

**Treasurer Conine moved to elect Governor Lombardo as Chair for the Board of Finance and a second from Member Edwards. Motion passed unanimously.**

**Agenda Item 4** – For discussion and possible action – on the Board of Finance minutes from the meeting held on December 12, 2022.

**Treasurer Conine moved to approve the minutes and a second from Member Navarro. Motion passed unanimously.**

**Agenda Item 5** – For discussion and possible action: on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$15,500,000 of Multi-Unit Housing Revenue Bonds (Sierra Flats Apartments), for the purpose of construction of an 80-unit family affordable housing rental project in Carson City, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Oikos Development Corporation, PalaSeek LLP, and R4 Community Funding, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Administrator Steve Aichroth with the Nevada Housing Division presented the request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$15,500,000 of Multi-Unit Housing Revenue Bonds for the Sierra Flats Apartments. He noted that the bonds will be used for the new construction of an 80-unit affordable family apartment complex in Carson City on Butti Way off of Fairview Drive. He stated that the rental housing will continue to serve 80 family households at or below 60% of the area median income. He noted the project is unique as it is a phase (2) of a previously awarded 9% low-income housing tax-credit project that will ultimately serve 160 households for seniors and family. He noted sections (1) through (3) of this item indicate it is for senior housing, however this is specifically for the family housing portion of the project. Chief Financial Officer Catherine Byrne explained the financial structure. She noted the land is owned by Carson City and will be conveyed for \$50,000. It is led by Oikos Development which is their first bond project in Nevada. She noted it will in direct placement with R4 capital and these conduit bonds are not a liability of the state or the division but solely of the development group. This project will be receiving \$0.3million in Home Means Nevada funds. The estimated tax-credit pricing is 87 cents.

**Treasurer Conine moved to approve Agenda Item 5 and a second from Member Edwards. Motion passed unanimously.**

**Agenda Item 6** – For discussion and possible action: on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$26,000,000 of Multi-Unit Housing Revenue Bonds (Pebble and Eastern Apartments), for the purpose of construction of a 195-unit senior affordable housing rental project in Clark County, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Ovation Development Group and Wells Fargo who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$26,000,000 of Multi-Unit Housing Revenue Bonds for the Pebble and Eastern Apartments. He noted that the bonds will be used for the new

construction of a 195-unit senior apartment complex located at the northwest corner of Pebble Road and Eastern Avenue in Las Vegas. He stated that the rental housing will continue to serve 195 senior households at or below 60% of the area median income with 135 units serving 50% and 20 units serving 30%. The development is located on a 5.0-acre parcel currently owned by the federal government. Ms. Bryne explained the financial structure noting the developer is Ovation and if approved this will be their 14<sup>th</sup> affordable senior community in Southern Nevada. It is a direct placement with Citi Bank. Citi Bank has worked with over 20 projects approved by the Board of Finance in the past 10 years. She noted they are conduit bonds that are not a liability of the state or the division but solely of the development group. This development is receiving Clark County Community Housing Funds of \$6 million that will also receive funding from the Federal Home Loan Bank.

**Treasurer Conine moved to approve Agenda Item 6 and a second from Controller Matthews. Motion passed unanimously.**

**Agenda Item 7 – For discussion and possible action:** on the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$43,500,000 of Multi-Unit Housing Revenue Bonds (Altitude by Vintage), for the purpose of acquisition and rehabilitation of a 293-unit family affordable housing rental project in Reno, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by Vintage Housing Development and Aegon USA Realty Advisors, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division’s request to approve the Administrator’s Findings of Fact pertaining to the issuance of up to \$43,500,000 of Multi-Unit Housing Revenue Bonds for the Altitude by Vintage Apartments. These bonds will be used to provide for the acquisition and renovation of a 293-unit affordable family apartments. He noted that it will consist of (3) complexes all adjacent to each other in Northwest Reno where all units were constructed roughly 30 years ago. The rehabilitation will include bringing the units up to modern standards including cabinets, countertops, lighting, painting, flooring, and appliances. Through this process they will be able to extend the affordability period on these units for an additional 30 years. Ms. Byrne stated the development team is led by Vintage Housing and Greenstreet. They have developed over 3,000 affordable units in the Truckee Meadows in the past 10 years. She noted the bonds will be marketed and sold to the public and are fully secured by Fannie Mae MBS and are cash collateralized. She explained that this structure has become more popular in recent years and the Board has approved several in the last 2-3 years. They are they are conduit bonds that are not a liability of the state or the division but solely of the development group. She noted the tax-credit pricing is estimated to be 89 cents.

Governor Lombardo inquired as to why this structure is more popular.

Mr. Aichroth explained that often developers will work specifically with an entity that they know will purchase the bonds within the direct placement structure. He noted this one is a bit more open-competitive but secured and provides another avenue to ensure that they are getting the correct placement of the bonds.

**Treasurer Conine moved to approve Agenda Item 7 and a second from Member Navarro.**

**Motion passed unanimously.**

**Agenda Item 8- For discussion and possible action:** on the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$33,000,000 of Multi-Unit Housing Revenue Bonds (Desert Rose Apartments), for the purpose of acquisition and rehabilitation of a 237-unit family affordable housing rental project in Las Vegas, Nevada. The project owner/developer will be a limited partnership, which will consist of entities owned by BRAD Desert Rose and RBC Community Investment, who will be the equity investor limited partner. Approval of the Board of Finance is required pursuant to NRS 319.270(4).

Mr. Aichroth presented the Nevada Housing Division's request to approve the Administrator's Findings of Fact pertaining to the issuance of up to \$33,000,000 of Multi-Unit Housing Revenue Bonds for the Desert Rose Apartments. These bonds will be used to provide for the acquisition and renovation of a 237-unit affordable family apartments in Central Las Vegas. He noted 198 of the units are at 60% area median income with 24 units slated for 30%. The current properties are unrestricted but through the acquisition and rehabilitation process they will be able to guarantee affordable living for 30 years. They were built in 1978 and will receive all upgrades. Ms. Byrne noted the development team is led by Blue Ridge Atlantic Development (BRAD) and the \$42 million is proposed as a direct bond placement by Citi Bank. This is BRAD's first application before the Board but have codeveloped projects in (8) states creating over 8,000 units of affordable supportive housing. RBC Community Investment is the tax credit investor with (4) properties in Southern Nevada and almost 100,000 homes nationally in (49) states. She noted the project has been awarded \$12 million in Clark County Community Funds and the anticipated price per tax credit dollar is 92 cents.

Treasurer Conine inquired about the tax credit.

Mr. Aichroth explained it's based on the market to see what the investment will support driven by the project.

Treasurer Conine commended the division for all of their work in bringing in new developers from other states who have shown that they do this work and will now be a part of Nevada.

**Treasurer Conine moved to approve Agenda Item 8 and a second from Controller Matthews. Motion passed unanimously.**

**Agenda Item 9- For discussion and possible action:** on a request from the Department of Conservation and Natural Resource to approve an outside bank account with American First Credit Union in Overton, Nevada. The outside bank account is needed to deposit large sums of daily cash receipts. NRS 356.011 requires the approval of the Board of Finance for an agency of the state to open a bank account.

Chief Deputy Lori Hoover presented the request to approve the outside bank account with America First Credit Union. She noted that the Treasurer's office was notified on December 14, 2022, by the Department of Conservation and Natural Resources that the Washington federal branch located in Overton, Nevada will be closing on February 24, 2023. The State's Park and Nevada Division of Museums History agencies use the Washington Federal Institution for their deposits combining over \$10,000 daily mostly consisting of cash. She noted due the large amount of cash deposited daily its not an option for electronic deposits into the Wells Fargo Bank under the state's master service agreement or MSA. In addition, armored car pickups for those two locations would not be feasible as it would cost the state an unbudgeted \$4,500 per month. The State Treasurer's Office exhausted all possible options to accommodate deposits for these agencies under the current MSA and therefore was required to find another financial institution in Overton to ensure compliance with

NRS 353.250 which requires that deposits greater than \$10,000 in one day must be deposited no later than the next working day. She noted that on January 27, 2023, the State Treasurer's Office entered into an agreement with America First Credit Union in Overton, Nevada. Per NRS 356.011, all bank accounts opened in financial institutions outside of the state's master service agreement (currently in place with the Wells Fargo Bank) must be approved by the Board. Therefore, the State Treasurer's Office requests the Board of Finance to approve the state account with America First Credit Union Overton branch as it is the only financial institution within 50 miles of those two agency locations.

Governor Lombardo asked if they have any history with America First.

Ms. Hoover stated that they do not history with them.

Treasurer Conine stated there is a collateral requirement for anyone holding state depository money and that America First would be part of that process to have all protections necessary to ensure state dollars are protected.

Ms. Hoover echoed Treasurer Conine's comment and stated they ensured the institution met all requirements of the collateral pool.

**Controller Matthews moved to approve Agenda Item 9 and a second from Member Edwards. Motion passed unanimously.**

**Agenda Item 10- For discussion and possible action:** (a) regarding the State Treasurer's quarterly investment report for the quarter ended September 30, 2022, and (b) to approve or disapprove the Treasurer's investment policies for the General Portfolio and the Local Government Investment Pool (LGIP). Approval of the Board of Finance is required pursuant to NRS 355.045.

Deputy Treasurer of Investments Steven Hale presented the quarterly investment report ending on September 30, 2022, and the policies for the General Porfolio Local Government Investment Pool. He reviewed page 97 of the materials where U.S. Treasury yields jumped almost 80 basis points during the quarter and closed the quarter at 3.83%. Over the same period, 1 month T-Bill rates increased from 1.28% to 2.79%. He reviewed page 98 of the materials showing LGIP assets under management of \$2.1 billion with the yield to maturity of 1.71% which is approximately 199 basis points below the benchmark yield of 3.70%. He noted the General Portfolio assets under management had a \$7.8 billion market value with 79% managed internally and 21% managed externally by Buckhead Capital Management and Western Asset Management. He noted the overall portfolio yield to maturity for the quarter was 1.2%. He reviewed page 100 shows the interest distributed from the earnings of the General Portfolio from fiscal year 2020 to current.

Treasurer Conine noted the yields have been increasing significantly since the end of the September quarter and inquired on how it is looking now.

Mr. Hale noted the overall interest for the portfolio is growing strongly from this point through 2024. He noted the front end of the curve of the federal reserve is driving what is happening and appears they will be pushing yields to about 5.5% and holding there until the beginning of next year. He stated if that is the case then most of the funds they have invested are going to benefit greatly. He explained they also are putting a great deal of money into the 1 to 2-year part of the curve. He noted the last quarter in 2022 and how it has gotten better overtime.

**Member Edwards moved to approve Agenda Item 10 and a second from Member Navarro. Motion passed unanimously.**

**Agenda Item 11**- Public Comment

No public comment in Carson City or Las Vegas.

Governor Lombardo thanked everyone for their participation and congratulated them on all items.

**Treasurer Conine moved to adjourn at 1:26 pm and a second from Member Edwards. Motion passed unanimously.**